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THE LEGACY DONOR FOUNDATION

FINANCIAL STATEMENTS

MARCH 31, 2010 AND 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/13/10



Postlethwaite
& Netterville

A Professional Accounting Corporation

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THE LEGACY DONOR FOUNDATION

FINANCIAL STATEMENTS

MARCH 31, 2010 AND 2009

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Legacy Donor Foundation

We have audited the accompanying statements of financial position of The Legacy Donor Foundation (the Foundation) as of March 31, 2010 and 2009, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Legacy Donor Foundation as of March 31, 2010 and 2009 the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2010, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Postlethwaite + Netterville

Metairie, Louisiana
September 30, 2010

THE LEGACY DONOR FOUNDATION
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2010 AND 2009

ASSETS

	<u>2010</u>	<u>2009</u>
Current assets:		
Cash and cash equivalents	\$ 401,685	\$ 106,127
Cash restricted for specific use (note 2)	106,240	93,604
Certificates of deposit	101,808	450,000
Accrued interest receivable	633	633
Promises to give (notes 2 and 3)	<u>66,288</u>	<u>98,500</u>
Total current assets	<u>676,654</u>	<u>748,864</u>
Equipment, net of accumulated depreciation	<u>6,486</u>	<u>12,038</u>
Total assets	<u><u>\$ 683,140</u></u>	<u><u>\$ 760,902</u></u>

LIABILITIES AND NET ASSETS

Current liabilities - accounts payable	<u>\$ 72,555</u>	<u>\$ 42,321</u>
Net assets:		
Unrestricted	493,905	529,977
Temporarily restricted (note 2)	<u>116,680</u>	<u>188,604</u>
Total net assets	<u>610,585</u>	<u>718,581</u>
Total liabilities and net assets	<u><u>\$ 683,140</u></u>	<u><u>\$ 760,902</u></u>

The accompanying notes are an integral part of these financial statements.

THE LEGACY DONOR FOUNDATION

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED MARCH 31, 2010 AND 2009**

	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues and support:						
Contributions and pledges	\$ 7,032	\$ -	\$ 7,032	\$ 964	\$ -	\$ 964
Special event - Soul Revival (note 5) (net of direct costs of \$81,527 and \$93,543 for 2010 and 2009, respectively)	161,352	-	161,352	162,916	-	162,916
State grants (note 3)	-	100,000	100,000	-	95,000	95,000
Restricted contributions	-	45,000	45,000	-	50,000	50,000
Interest income	5,799	-	5,799	6,764	-	6,764
Net assets released from restrictions (note 2)	216,924	(216,924)	-	162,201	(162,201)	-
Total revenues and other support	391,107	(71,924)	319,183	332,845	(17,201)	315,644
Expenses:						
Programs:						
Physician Education Program (note 4)	14,343	-	14,343	40,147	-	40,147
General Awareness Campaign (note 4)	296,512	-	296,512	200,965	-	200,965
Youth Forum Initiative Program (note 4)	19,519	-	19,519	44,063	-	44,063
Minority Initiative (note 4)	12,559	-	12,559	-	-	-
Total programs	342,933	-	342,933	285,175	-	285,175
Fundraising	36,854	-	36,854	20,841	-	20,841
Management and general	47,392	-	47,392	54,962	-	54,962
Total expenses	427,179	-	427,179	360,978	-	360,978
Change in net assets	(36,072)	(71,924)	(107,996)	(28,133)	(17,201)	(45,334)
NET ASSETS AT BEGINNING OF THE YEAR	529,977	188,604	718,581	558,110	205,805	763,915
NET ASSETS AT END OF THE YEAR	\$ 493,905	\$ 116,680	\$ 610,585	\$ 529,977	\$ 188,604	\$ 718,581

The accompanying notes are an integral part of these statements.

THE LEGACY DONOR FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED MARCH 31, 2010 AND 2009

2010	Program Services					Supporting Services			Total
	Physician Education	General Awareness Campaign	Youth Education	Minority Initiative	Program Services	Fundraising	Management and General	Supporting Services	
Advertising and marketing	\$ -	\$ 191,147	\$ -	\$ -	\$ 191,147	\$ -	\$ -	\$ -	\$ 191,147
Depreciation	-	-	-	-	-	-	5,552	5,552	5,552
Education	2,475	-	-	-	2,475	-	-	-	2,475
Entertainment/food/decorations	-	436	889	420	1,745	62,757	44	62,801	64,546
Event rental expense	-	-	-	-	-	15,666	-	15,666	15,666
Give-aways	-	7,873	911	-	8,784	9,877	-	9,877	18,661
Insurance	-	-	-	-	-	-	2,459	2,459	2,459
Meetings and travel	1,196	3,248	1,596	839	6,879	798	798	1,596	8,475
Miscellaneous	-	93	-	-	93	-	1,458	1,458	1,551
Office supplies and services	1,010	5,156	1,346	747	8,259	673	672	1,345	9,604
Postage and shipping	-	929	-	-	929	2,069	90	2,159	3,088
Printing and publications	-	10,903	-	891	11,794	3,807	-	3,807	15,601
Professional fees	-	-	-	-	-	-	16,700	16,700	16,700
Salaries and related benefits	9,662	76,727	14,777	9,662	110,828	22,734	17,619	40,353	151,181
Staff training	-	-	-	-	-	-	2,000	2,000	2,000
Total expenses	14,343	296,512	19,519	12,559	342,933	118,381	47,392	165,773	508,706

Less: expenses netted with revenues on the statement of activities:
Direct benefit cost of special events

						(81,527)		(81,527)	(81,527)
Total expenses reported by function	\$ 14,343	\$ 296,512	\$ 19,519	\$ 12,559	\$ 342,933	\$ 36,854	\$ 47,392	\$ 84,246	\$ 427,179

(Continued)

The accompanying notes are an integral part of these statements.

THE LEGACY DONOR FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED MARCH 31, 2010 AND 2009

	Program Services				Supporting Services		
	Physician Education	General Awareness Campaign	Youth Education	Total Program Services	Fundraising	Management and General	Total Supporting Services
2009							
Advertising and marketing	\$ -	\$ 105,269	\$ -	\$ 105,269	\$ -	\$ -	\$ -
Depreciation	-	-	-	-	-	4,077	4,077
Entertainment/food/decorations	-	-	-	-	53,416	-	53,416
Event rental expense	-	95	378	473	15,425	-	15,898
Give-aways	-	8,070	4,301	12,371	709	-	13,080
Insurance	-	-	-	-	-	2,475	2,475
Meetings and travel	629	3,479	5,712	9,820	1,258	4,402	15,480
Miscellaneous	-	3,713	690	4,403	-	5,563	9,966
Office supplies and services	1,891	6,413	3,574	11,878	773	1,261	13,912
Postage and shipping	-	395	803	1,198	4,421	35	5,654
Printing and publications	-	10,716	718	11,434	19,429	-	30,863
Professional fees	9,739	-	-	9,739	-	16,900	26,639
Salaries and related benefits	27,888	62,815	27,887	118,590	18,953	18,411	155,954
Staff training	-	-	-	-	-	1,838	1,838
Total expenses	40,147	200,965	44,063	285,175	114,384	54,962	454,521
Less: expenses netted with revenues on the statement of activities:							
Direct benefit cost of special events	-	-	-	-	(93,543)	-	(93,543)
Total expenses reported by function	\$ 40,147	\$ 200,965	\$ 44,063	\$ 285,175	\$ 20,841	\$ 54,962	\$ 360,978

The accompanying notes are an integral part of these statements.

THE LEGACY DONOR FOUNDATION

STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>OPERATING ACTIVITIES</u>		
Change in net assets	\$ (107,996)	\$ (45,334)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	5,552	4,077
Decrease in promises to give	32,212	23,400
Decrease in accrued interest receivable	-	4,318
Increase in accounts payable	30,234	24,195
Net cash provided by (used in) operating activities	<u>(39,998)</u>	<u>10,656</u>
<u>INVESTING ACTIVITIES</u>		
Purchase of equipment	-	(14,219)
Purchase of certificate of deposit	-	(75,000)
Proceeds from the maturity of certificate of deposit	348,192	-
Net cash provided by (used in) financing activities	<u>348,192</u>	<u>(89,219)</u>
Net increase (decrease) in cash	308,194	(78,563)
Cash and cash equivalents, beginning of year	<u>199,731</u>	<u>278,294</u>
Cash and cash equivalents, end of year	<u>\$ 507,925</u>	<u>\$ 199,731</u>
Cash and cash equivalents is comprised of:		
Cash and cash equivalents	\$ 401,685	\$ 106,127
Cash restricted for specific use	106,240	93,604
	<u>\$ 507,925</u>	<u>\$ 199,731</u>

The accompanying notes are an integral part of these statements.

THE LEGACY DONOR FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization

The Legacy Donor Foundation (formerly The National Donor Awareness Foundation) (the Foundation) is a 501 (c) (3) non-profit corporation incorporated on August 18, 1999 under the laws of the State of Louisiana. The Foundation's mission is to prevent the loss of human life due to lack of available organs for transplantation by educating the citizens of Louisiana about the critical need for organ, eye and tissue donation. Through public education and awareness activities, the Foundation promotes organ donation and fosters informed family acceptance of the process.

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Classification of Net Assets

Financial Accounting Standards Board Codification No. 958 entitled "Not-For-Profit Entities" requires that net assets and changes in net assets be reported for three classifications—permanently restricted, temporarily restricted and unrestricted—based on the existence or absence of donor imposed restrictions of the assets to a particular purpose. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time.
- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. The Foundation has no permanently restricted net assets.

THE LEGACY DONOR FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restriction.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments with initial maturity of three months or less to be cash equivalents. Cash and cash equivalents at March 31, 2010 include money market funds of \$461,270.

Certificates of Deposit

Certificates of deposit are held at local financial institutions and range in maturity from six months to twelve months.

Promises to Give

Legally enforceable promises to give are recorded as receivables and support when unconditionally pledged. Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Promises to give receivable are not discounted unless the discount is material.

Equipment

Equipment consists of computer equipment and is stated at cost. Depreciation is provided on a straight-line basis over the estimated useful life of the related asset.

Credit Risk

At March 31, 2010 and 2009, the Foundation had cash deposits in excess of federally insured limits of approximately \$60,128 and \$0, respectively.

THE LEGACY DONOR FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Contributed Services

Members of the Foundation's board of directors and other volunteers have made significant contributions of their time to assist in the Foundation's operations and related charitable programs. The value of this contributed time is not recorded in these financial statements because it is not susceptible to objective measurement or valuation.

2. Restricted Assets

The Foundation has the following temporarily restricted assets as of March 31, 2010 and 2009:

2010

	<u>Cash</u>	<u>Promises to Give</u>	<u>Total</u>
Grants – Physical Education	\$ 45,465	\$ -	\$ 45,465
Grants – General Awareness	-	10,440	10,440
Minority Initiative	20,775	-	20,775
Grants – Youth Education	40,000	-	40,000
	<u>\$ 106,240</u>	<u>\$ 10,440</u>	<u>\$ 116,680</u>

2009

	<u>Cash</u>	<u>Promises to Give</u>	<u>Total</u>
Grants – Physician Education	\$ 53,232	\$ -	\$ 53,232
Grants – General Awareness	18,948	95,000	113,948
Minority Initiative	21,424	-	21,424
	<u>\$ 93,604</u>	<u>\$ 95,000</u>	<u>\$ 188,604</u>

Net assets released from restrictions during 2010 and 2009 by incurring expenses satisfying the restricted purposes or by expiration of time restrictions totaled \$216,924 and \$162,201, respectively. The net assets released were related to the Physician Education and Youth Forum Initiative Programs and collection of Soul Revival receivables.

3. Promises to Give

Promises to give reflected on the statement of financial position as temporarily restricted net assets at March 31, 2010 and 2009, include \$45,145 and \$95,000 due from the State of Louisiana.

THE LEGACY DONOR FOUNDATION

NOTES TO FINANCIAL STATEMENTS

4. Programs

Physician Education Program

The Physician Education Program helps physicians understand their crucial role in educating patients about organ and tissue donation during office visits, while at the same time dispelling myths and misconceptions. The program is designed to increase physicians' knowledge about organ and tissue donation and transplantation and enable them to discuss donation and transplantation with their patients.

General Awareness Campaign

The Foundation's public awareness campaign educates all Louisiana citizens about the critical need for organ and tissue donors through paid media (billboards, radio and TV) and grass roots efforts such as participating in health fairs, workplace partnerships, public speaking engagements and message marketing. This campaign encourages everyone to register as organ donors and share this decision with their family.

In order to recognize the vital link between the Office of Motor Vehicles and the organ and tissue donor registry, the Foundation's OMV Education Program trains all OMV staff on organ donation facts, myths and misconceptions in order to ensure that all customers are asked "Would you like to register as an organ, eye and tissue donor?"

The Foundation trains volunteers on the facts about organ and tissue donation in order to help them provide accurate information about donation and transplantation while working in the community.

The Legacy Donor Foundation is a founding member of Donate Life Louisiana, a collaboration of organizations whose mission is to create trust, save and enhance lives and positively impact the donor registry through education, awareness and leadership. Donate Life Louisiana is now the brand used for all organ donor education and awareness activities.

Youth Education

When young adults get their first driver's license or permit they are asked if they would like to register as organ, eye and tissue donors. Since all first time drivers must complete a driver's education course and organ donation education is required by the state, the Foundation is developing an educational video to be distributed to all driver's education classes statewide. By educating young adults, we are continuing to change Louisiana's culture to one that accepts and promotes donation. The Foundation also hold educational events designed specifically for high school students to raise awareness and provide accurate information on organ donation and transplantation while dispelling commonly held myths and misconceptions; encourage discussion about donation among teens and between teens and their families and better equip educators with resources and tools to teach about the life saving possibilities of organ and tissue donation.

THE LEGACY DONOR FOUNDATION

NOTES TO FINANCIAL STATEMENTS

4. Programs (continued)

Minority Initiative Program

The Foundation received funding to provide an educational program to the African American community of the Greater New Orleans area. The mission of this program is to provide public awareness on the need for African American families to learn about organ donation and become registered organ donors.

5. Special Event - Soul Revival

Soul Revival is the Foundation's annual fundraising gala. The funds the Foundation raises during Soul Revival support critical awareness and education programs that aim to reduce the number of Louisianans who die waiting for lifesaving organ transplants.

6. Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

In July 2006, the FASB issued Accounting for Uncertainty in Income Taxes, which clarifies the accounting and disclosure for uncertain tax positions. This interpretation requires companies to use a prescribed model for assessing the financial statement recognition and measurement of all tax positions taken or expected to be taken in tax returns. The Foundation applies a "more-likely-than-not" recognition threshold for all tax uncertainties. This approach only allows the recognition of those tax benefits that have a greater than fifty percent likelihood of being sustained upon examination by the taxing authorities.

As a result of implementing this approach, the Foundation has reviewed its tax positions and determined there were no outstanding or retrospective tax positions with less than a 50% likelihood of being sustained upon examination by the taxing authorities; therefore implementation of this standard has not had a material effect on the Foundation.

The Foundation's tax returns for the years ended March 31, 2009, 2008 and 2007 remain open and subject to examination by taxing authorities.

7. Subsequent Events

Management of the Foundation has evaluated subsequent events through the date the financial statements were available to be issued, September 30, 2010 and noted no items for disclosure.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
The Legacy Donor Foundation

We have audited the financial statements of The Legacy Donor Foundation (the Foundation) as of and for the year ended March 31, 2010, and have issued our report thereon dated September 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management of the Foundation, the State of Louisiana and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postthwaite + Nettwilb

Metairie, Louisiana
September 30, 2010